

**AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY,  
HELD ON THE 1<sup>ST</sup> DAY OF JUNE 2009, 7:00 P.M., COUNTY ADMINISTRATION CONFERENCE  
ROOM, MONTGOMERY COUNTY GOVERNMENT CENTER, CHRISTIANSBURG, VIRGINIA:**

<b>PRESENT:</b>	Gary Creed	-Chair
	James Politis	-Vice Chair
	Mary Biggs	-Secretary-Treasurer
	Annette Perkins	-Member
	William Brown	-Member
	Robert C. Fronk	-PSA Director
	Linda Pendleton	-Senior Program Assistant
	Marty McMahon	-County Attorney
	Malvin Wells	-Planning Commission
<b>ABSENT:</b>	John Muffo	-Member
	Doug Marrs	-Member

**CALL TO ORDER**

Chair Creed called the meeting to order and determined that a quorum was present.

**ADDENDUM**

On a motion by William Brown, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby adds the following item to the agenda of this regular meeting of June 1, 2009 under New Business, Item D:

Approve Agreement for the Provision of Electric Services to the  
Montgomery County Public Service Authority by APCO

The vote on the foregoing motion is as follows:

<b>AYE</b>	<b>NAY</b>	<b>ABSENT</b>
James Politis		John Muffo
Annette Perkins		Doug Marrs
William Brown		
Mary Biggs		
Gary Creed		

**PUBLIC ADDRESS SESSION**

There were no comments from the public.

**CONSENT AGENDA**

On a motion by James Politis, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated June 1, 2009.

The vote on the foregoing motion is as follows:

<b>AYE</b>	<b>NAY</b>	<b>ABSENT</b>
James Politis		John Muffo

Annette Perkins  
William Brown  
Mary Biggs  
Gary Creed

Doug Marrs

**APPROVAL OF MINUTES  
DATED MAY 4, 2009**

On a motion by James Politis, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the minutes dated May 4, 2009.

**APPROVE PSA FY 2009-2010 BUDGET**

**R09-06-1  
RESOLUTION APPROVING  
PSA FY 2009-2010 BUDGET**

On a motion by James Politis, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the annual budget for FY 2009-2010, in the amount of \$3,264,852 – (\$1,800,338 Water & \$1,464,514 Sewer); and, that the Director is hereby authorized to utilize the budget as an official document of the Authority to become effective July 1, 2009.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
James Politis		John Muffo
Annette Perkins		Doug Marrs
William Brown		
Mary Biggs		
Gary Creed		

**USE OF BOARD DESIGNATED FUNDS FOR THE MID-COUNTY SANITARY SEWER  
RELOCATION PROJECT**

**R09-06-2  
RESOLUTION AUTHORIZING DIRECTOR TO USE BOARD  
DESIGNATED RESERVE FUNDS FOR THE MID-COUNTY  
SANITARY SEWER RELOCATION PROJECT**

On a motion by James Politis, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby authorizes the Director to use Board Designated Reserve Funds for contractor payment request on the Mid-County Sanitary Sewer Relocation Project, in an amount not to exceed \$60,000; and, that reimbursement to the Reserve Fund will be made upon receipt of funds from the Virginia Department of Transportation.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
James Politis		John Muffo
Annette Perkins		Doug Marrs
William Brown		
Mary Biggs		
Gary Creed		

## **EMERGENCY PURCHASE OF SEWER PUMP – RADFORD HOSPITAL PUMP STATION**

### **R09-06-3 RESOLUTION APPROVING FUNDS FOR EMERGENCY PURCHASE OF SEWER PUMP RADFORD HOSPITAL PUMP STATION**

On a motion by Mary Biggs, seconded by James Politis, and carried; IT WAS RESOLVED, that the Public Service Authority hereby authorizes the PSA Director to use facility fees received for the Kensington Subdivision to pay for the emergency purchase of a sewer pump for the Radford Hospital Pump Station, in an amount not to exceed \$12,000.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
James Politis		John Muffo
Annette Perkins		Doug Marrs
William Brown		
Mary Biggs		
Gary Creed		

## **APPROVE AGREEMENT FOR THE PROVISION OF ELECTRIC SERVICES TO THE MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY BY APCO**

### **R09-06-4 RESOLUTION APPROVING THE AGREEMENT FOR THE PROVISION OF ELECTRIC SERVICES TO THE MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY BY APCO**

On a motion by Annette Perkins, seconded by Mary Biggs, and carried;

WHEREAS, the VML/VACo Appalachian Power Company (“APCo”) Steering Committee (the “Committee”) comprised of representatives of local governments and political subdivisions has for many years negotiated on behalf of such governmental units within the service area of APCo the terms of standard contract forms which have included rates for the purchase of electricity supply and delivery service and for the installation, maintenance and delivery service of street lights by aforesaid governmental units from APCo as a single source provider; and

WHEREAS, APCo has agreed with the Committee to furnish counties, cities, towns and other political subdivisions (“Public Authorities” or “PAs”) in its service area such electric services as shall be purchased for governmental facilities for a three year term commencing on July 1, 2009 at rates which parallel those approved by the Virginia State Corporation Commission for regulated customers and APCo has also agreed to provide an aggregate total rate surcredit to the PA class of customers amounting to \$5.25 million over the three year contract term; and

WHEREAS, such agreement shall also provide, among other things, that APCo will install appropriate meters to measure the future PA class load, and upon termination of such contracts to supply PA load data, cost of service analysis, and to negotiate with representatives of the PA class in good faith on a cost of service basis for further contracts; and

WHEREAS, on advice and recommendation of the Committee, the terms of such agreements and contracts which so provide, including the rates, are deemed fair and reasonable; and further that APCo is the sole practical source of electric services for the Montgomery County Public Service Authority; and

WHEREAS, contracts for such electric services for three years, commencing July 1, 2009, which have been reviewed by the Committee, its counsel and consultants, and approved as to form by the County Attorney, have been duly presented to the meeting and considered.

NOW THEREFORE BE IT RESOLVED, on motion duly made and seconded, the following resolutions are duly adopted:

1. That the contracts referred to above for the provision of electric services to the Montgomery County Public Service Authority by Appalachian Power Company for a three year term commencing on July 1, 2009 are hereby approved and adopted; and
2. That Gary Creed, Chair, is hereby authorized to execute and deliver said contracts to Appalachian Power Company for and on behalf of the Montgomery County Public Service Authority.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
James Politis Annette Perkins William Brown Mary Biggs Gary Creed		John Muffo Doug Marrs

#### **FINANCIAL REPORT**

The financial report for period ending May 31, 2009 was presented for review and discussion.

#### **DIRECTOR'S REPORT**

The Director's Report included the following items:

1. Monthly Activities Report  
The May 2009 report was presented for review.
2. I81 Rest Area Closures  
On May 20, 2009, VDOT Commissioner David Ekern indicated that he was recommending VDOT keep open the Ironto and Radford South rest areas in order to maintain I81 rest areas at travel interval of 2 hours. The Radford North rest area is recommended to be closed due to its proximity to Ironto. All three rest areas are PSA water and sewer customers. A copy of the news release was presented for review.
3. Prices Fork Water System Supply  
The PSA initiated the switchover from the Town of Blacksburg to RAAP water supply on Wednesday April 22, 2009 by isolating the Prices Fork water system to facilitate filling the water storage tank from RAAP supply. On Friday April 24, 2009, the rest of the water system was switched over to the RAAP supply. A letter was mailed to the RAAP requesting compensation for the additional cost of purchased water from Blacksburg. A copy of the letter was sent to Congressman Boucher.
4. VDH Inspection of Riner Water System Fluoridation Equipment  
On May 21, 2009, Dr Syrop inspected the newly installed fluoridation equipment at the three Riner wells. This equipment was funded through a \$10,000 VDH grant and installed by PSA staff.

5. Warm Hearth Sewer Pump Station Replacement Project  
The project plans and specifications were put out to bid May 5, 2009 with bid opening scheduled for June 9, 2009. A pre-bid meeting was held May 21, 2009 with good turnout.
6. Mid-County Sewer Replacement Project  
The contractor for this project has completed the majority of the construction with the exception of final restoration and expects to complete this project within 15 days weather permitting. This project is to relocate a section of sewer under excessive fill in the Duncan site and to replace a section of improperly relocated sewer during the Rt.460 By-pass project.
7. Site Damage to Montgomery County Park at Old Bethel School Site  
On January 29, 2009, PSA maintenance crew experienced a water main break while installing a water meter service for the new Montgomery County Park at the old Bethel school site. The 12-inch water main had been installed with a bend in the plastic pipe which caused the pipe to split once the hole for the tap was made. This break released a large volume of water which washed out portions of the parking lot base and deposited the washed out material elsewhere on the site. The crew could not have known that the pipe was installed in a bend as they only uncovered a small section of pipe (+/-3') in which to make the tap.  
This damage was turned into our insurance company as a claim, who initially denied the claim as they did not find fault with the PSA work. After several calls from the PSA Director and various County staff, the insurance company paid the damage claims.
8. VDH – Water Federal Stimulus Program  
The VDH posted the list of received Stimulus Applications and their “Fundable Project Priority List” of the selected projects, and the Director presented a copy. The requested funding of the project priority list exceeds the available funding. None of the projects submitted by the PSA made the project priority list.
9. Fire Hydrant Maintenance and Flow Testing Bids  
On May 19, 2009, the PSA opened bids for Fire Hydrant Maintenance and Flow Testing and will proceed with contract award to the apparent low bidder. This work includes inspection, clearing around hydrants, routine maintenance, flow testing and painting/color coding of the 380 PSA fire hydrants. This work should start in the next month and be completed in about 3 months.

### **AUTHORITY MEMBERS' REPORT**

- Member Brown** -Commended the Director on analyzing water projects that needed attention, and making a submission for the stimulus package.
- Chair Creed** -Thanked the Director for the great job he did in notifying proper personnel concerning the pump failure at the Radford Hospital pump station and the need for the purchase of a new pump.

### **ADJOURNMENT**

On a motion by James Politis, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority does hereby adjourn to the next meeting scheduled for July 6, 2009.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
James Politis		John Muffo
Annette Perkins		Doug Marrs
William Brown		
Mary Biggs		
Gary Creed		